

As you may know, the 2003 Medicare Modernization Act (MMA) created a Medicare prescription drug program that is being implemented in two phases. The first phase began in June 2004 with a temporary discount drug card program. The next phase begins January 2006 with the implementation of a drug benefit program.

The MMA brought about major changes to the previous structure of Medicare including the replacement of the previous Medicare+Choice program with a new program called Medicare Advantage. The prescription drug benefit is voluntary and beneficiaries would pay a monthly premium after enrolling.

If you are interested in enrolling in the prescription drug program, you should know that enrollment begins November 15, 2005 and "ends" May 15, 2006. If beneficiaries enroll before December 31, 2005 their prescription drug coverage will begin January 1, 2006. Individuals who sign up after January 1, 2006 will begin coverage on the first day of the following month. Those who enroll after May 15, 2006 will pay a premium penalty equal to 1% of the base premium for each month that they did not sign up for the benefit.

It may be difficult to compare options available under the program, however, as different options are likely to have different premiums and co-payments and cover different medicines. With the drug benefit, each private insurer or HMO will individually negotiate prices with drug companies, so prices for the same drug might vary from plan to plan. Unfortunately, most Medicare beneficiaries will be locked into a plan for a year and will be unable to switch if they are suddenly in need of a drug that is not covered by their plan.

Another aspect of the Medicare drug benefit that should be known and understood is that once an individual's annual drug costs exceed \$2,250, all Medicare-affiliated drug plans will stop paying for prescription drugs (and the individual will thus be responsible) for the next \$2,850 in drug costs. The average Medicare beneficiary spends \$3,160 on prescription drugs a year, so seniors with median-to-high level drug costs will fall into the gap in coverage under the Medicare program.

You may be interested to know that I voted against the MMA and am working to implement changes to this new Medicare law. I strongly support two viable and cost-saving additions to the program that would save money for Medicare beneficiaries by lowering the cost of prescription drugs.

First, Congress should remove the prohibition in the new Medicare law that prevents the Secretary of Health and Human Services from negotiating lower prices for prescription drugs on behalf of all Medicare patients. This bar on such negotiating represents a great benefit to the drug companies at the expense of patients and should be changed. Allowing Medicare to negotiate for lower drug prices, just as the Department of Veterans Affairs does, could save up to 50 percent off many prescription drugs, substantially reducing the \$1.2 trillion projected cost of the Medicare prescription drug benefit over the next 10 years.

I am also urging Congress to allow American wholesalers, pharmacists and individuals to buy prescription drugs from other well-regulated nations, such as Canada and in the European

Union, at substantial savings. This could lower the cost of brand name medicine by 30 to 50 percent, savings that would accrue to both the government and individuals.

The exact benefits under the Medicare prescription drug plan remain variable and unknown. Some seniors may benefit from the new law in the short term, and I encourage individuals interested in the plan to contact the Commonwealth of Massachusetts SHINE (Serving Health Information Needs of Elders) Program Office at 1-800-243-4636, or call one of SHINE's regional offices directly:

Pittsfield: 413-499-0524
Turners Falls: 413-773-5555
Springfield: 413-750-2893
Milford: 508-422-9931
Lawrence 978-683-7747

The federal Center for Medicare & Medicaid Services publishes a variety of informational materials for people with Medicare and the general public. You can order these free publications and receive other information from both www.medicare.gov and 1-800-MEDICARE. In addition, please feel free to contact my district offices located in Pittsfield, Holyoke and Fitchburg:

Pittsfield: 78 Center Street Phone: (413) 442-0946
Holyoke: 57 Suffolk Street, Suite 310 Phone: (413) 532-7010
Fitchburg: 463 Main Street Phone: (978) 342-8722

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